

Ford Motor Land Services Corporation STN REGULATORY AUTHORITY Parklane Boulevard

Suite 1500 East Dearborn, MI 48126-2477

February 23, 2000

Mr. Melvin Malone Chairman Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

49-00944

Dear Mr. Malone:

Since March 1, 1993 Ford Motor Company's Nashville Glass Plant has transported natural gas to that facility under the terms of a rate negotiated with Piedmont Natural Gas Company. The rate recognized both the distressed economic conditions of the plant and the viable alternative of a bypass. The Tennessee Public Service Commission on April 6, 1993 approved the original contract. Ford negotiated a successor contract that extended the negotiated rate until October 31, 2000.

Under the terms of these contracts, neither party can request the Tennessee Regulatory Authority to change the rate. The intent was to preserve the negotiated rate for the duration of the contract. We were quite disappointed when in January 1997, Ford rates were increased by the Regulatory Authority due to a Piedmont rate case. Ford had been told that Piedmont had excluded it from the filing. Ford negotiated these rates in good faith with Piedmont as an alternative to the construction of a bypass. Rate changes mandated by the Regulatory Authority effectively negated the negotiated rate.

The economic situation at Nashville Glass has not improved since the original bypass deferral contract in 1993, and bypass remains a viable alternative. Based on the proposed Piedmont rate filing, we request the Tennessee Regulatory take no independent action to increase the rates contained in the present Gas Redelivery Agreement between Piedmont Natural Gas Company and Ford Motor Company.

Please contact me at 313.594.7089 with any questions or comments.

Very truly yours,

James () MM James J. Mulholland

Manager, Natural Gas Programs

Energy Efficiency & Supply

R. A. Cucchi

(Ford Motor Company)

P. Mehra

(Ford Motor Land Services Corporation)

J. P. Ziety

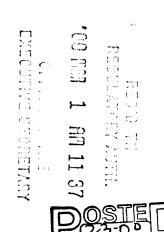
(Ford Motor Company)

M. Horn D. Waddell (Tennessee Regulatory Authority)

J. M. Vitucci

(Tennessee Regulatory Authority) (Nashville Glass Plant)

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## **Ford Motor Land Services Corporation**

One Parklane Boulevard Suite 1500 East Dearborn, MI 48126-2477

February 23, 2000

Mr. H. Lynn Greer, Jr. Director Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Dear Mr. Greer:

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J. M. Vitucci

(Tennessee Regulatory Authority) (Nashville Glass Plant)

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## Ford Motor Land Services Corporation

One Parklane Boulevard Suite 1500 East Dearborn, MI 48126-2477

February 23, 2000

Ms. Sara Kyle Director Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Dear Ms. Kyle:

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